PUBLIC HEARING

STATE OF CALIFORNIA

STATE LANDS COMMISSION

IN THE MATTER OF

PRC 421 RECOMMISSIONING PROJECT

DRAFT ENVIRONMENTAL IMPACT REPORT

GOLETA VALLEY COMMUNITY CENTER

5679 HOLLISTER AVENUE

GOLETA, CALIFORNIA

TUESDAY, OCTOBER 16, 2007

3:00 P.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

STAFF

Mr. Erick Gillies, Project Manager, California State Lands Commission

ALSO PRESENT

Mr. Daniel Gira, Program Manager, Pacific Coast Environmental

I N D E X

PROCEEDINGS

MR. GILLIES: Welcome, everybody. I'm sorry for the late start; we just wanted to make sure we get the meeting transcribed. It's being recorded so we get every detail of what's spoken tonight and then it will be transcribed into the final environmental document.

This is a PRC 421 Recommissioning Project Public Hearing on the Draft Environmental Impact Report. Can everybody hear me okay?

Okay. If you haven't done so, there's sign-in sheets at the table by the door and then speaker slips if you wish to speak; and if you don't, you can use a speaker slip to make any written comments on the back.

I'm Eric Gillies, Project Manager for the California State Lands Commission, and we are the lead agency under the California Environmental Quality Act. And this document's been subject to joint review with several responsible agencies, including Santa Barbara County, City of Goleta, and the Coastal Commission with us as the lead agency.

The purpose of this meeting is to get public comment on the Draft Environmental Impact Report that's been circulating since, I believe September 4th we released the document for public review and comment. We want to get public comments on the draft document for its

adequacy as far as the environmental impacts of the project and the alternatives and the project itself.

The close of the comment period is November 2nd, which is the end of the 60-day review. I believe the time is five o'clock, comments need to be in by that Friday.

We have a couple documents at the table over there for you to view. If you need a copy, go ahead and let us know and we can assign a copy to you quickly, we can Fed Ex it to you if you need it right away to meet -- give you enough time to look at it before the end of the comment period. Also, copies are available at the library and on our website.

This is the first of two meetings. We'll have a second meeting, I'll discuss everything at three o'clock, but it will be at 6:00 o'clock to accommodate folks who can't make it during the day due to work or other commitments.

AMEC Earth & Environmental has been contracted by the Commission to prepare the environmental document and Dan Gira is here to present the environmental document and the proposed project as proposed by Venoco, the project proponent. And Steve Greig in the back there is here to answer any specific questions regarding the Venoco facilities and the project itself.

Following Dan's presentation, we'll open it up

to questions or any clarifications on the presentation or the document and then we will open it up to public comments, and then we'll make sure those comments are addressed in the final document.

And with that, I'll go ahead and pass it over to Dan, and he'll go ahead and present a Powerpoint, and we'll -- Dean, I think you've posted Powerpoints on your website?

MR. DUSETTE: Yes.

MR. GILLIES: Would it be all right if we -- be able to post this after the meeting?

MR. DUSETTE: Absolutely.

MR. GILLIES: That way we don't have copies of it here, but we can make it available on our website as well as the county's.

Go ahead.

MR. GIRA: Thanks, Eric. I'll probably take about 15 to 20 minutes at most to go through this.

Just a little bit in the way of project background.

You're probably all aware that the project site is located in the Ellwood Oil Field as opposed to the South Ellwood Oil Field. The South Ellwood Oil Field is the one that Platform Holly draws from offshore, and this is the more historic production area in the near shore and

onshore.

The existing facilities that we have in place here were constructed in 1928 and, of course, have been repeatedly improved and upgraded since then, most recently a series of major repairs in the late 1990s and 2000s. The wells in question here, PRC 421, were shut-in due to a pipeline leak, an onshore pipeline leak back in 1994 and they've been basically idle since that time except for some flow that was done during the repair operation back in, I think, 2000. Venoco purchased the project from Mobil back in 1997.

Most recently with this project after the environmental document's done on major repairs in late 1990s and early 2000, the CSLC received an application from Venoco and in response issued an NOP for production of this EIR. An NOP was issued some time ago, June 3rd of 2005.

So again, the Ellwood Field is distinct from the South Ellwood Field. That's important, because the oil being drawn from this field is a sweet crude, has very low or almost zero sulfur content as opposed to the high-sulfur crude from the South Ellwood Field.

The potential resumption of production at PRC 421 will be intimately linked through to the existing Ellwood facilities, it would be dependent upon the EMT, the

Ellwood Marine Terminal, which currently is in operation to ship oil from Holly as well as Line 96 and to a much lesser extent the EO- -- the Ellwood Onshore Facility that operates -- there would be communication there, which I'll touch on later.

So it's also linked to future proposed projects because the extension of the Ellwood Marine Terminal lease would be necessary or at least a desired component for the trans-shipment of this oil, it is the currently proposed project. In some future time it might be dependent upon the Ellwood Full Field project due to pipeline construction associated with that project. There's other potential transport mechanisms, but the marine terminal and the pipeline are probably the focus.

The EIR scope and study area includes both the immediate Ellwood vicinity, which I'll touch on, as well as offshore transport zones for the current transport system and the Gaviota coast, which is the subject of the full field pipeline.

The purpose of today's meeting -- I think all or most of you are veterans, so you know the purpose of today's meeting is just to comment upon the adequacy of the EIR, the impact analysis in the EIR, the design and content of mitigation measures, the range and scope of the alternatives and, of course, we are -- Eric and I are

available to answer any of your questions along with Steve Greig from Venoco. It's not to comment upon whether you don't like or like or support or don't support the project. We're trying to prepare an adequate environmental document, and the time for those kinds of comments is really to the State Lands Commission and to the responsible agencies such as the City of Goleta down the road. They're the decision-making bodies.

You're familiar with the project, but just to touch on it -- I don't have my fancy laser pointer, which as a consultant I should -- but I think it's important to note, you'll note on the right side of the screen the Devereaux Slough. And on the left-hand side toward the center of the screen you'll note PRC 421, the Ellwood Offshore Facility -- Onshore Facility is called out, and we have Bell Canyon Creek there. So there is a -- we are in a sensitive area, identified in many local plans as being sensitive.

Let me just touch on project construction issues. Some of the major construction involved in this project would involve repairs to the caisson at PRC 421-2. That is the pier that is slated for actual production of oil. As we indicated earlier, those piers were originally constructed in 1928. They've been through a lot and they've been repaired and upgraded, but they would require

further upgrade, as proposed for further upgrade by Venoco. Only minor repairs are proposed to the other pier, 421-1 -- that's the one that has the big new wall in front of it -- as that was already repaired very recently, significant repairs. In order to bring 421 to back into production, Venoco would bring in a large work-over rig and rework the well including installing a new submersible pump.

Another major component, and I'll go through the figures for these for you, would be installing new flow lines and electric cable and communication systems along the old access road, which was subject to major repair in some of the previous projects. That's the road behind the seawall that accesses the site. So that would involve a fair amount of construction, mainly some trenching and installation of cables and pipeline. In addition, there would be surveillance and communication equipment installed.

And an important feature of this project is that Venoco is proposing to use the existing 6-inch pipeline that had some problems back in the nineties, but they're using it only as a containment and repairing it and installing pipelines within it to provide sort of a double layer of protection.

So let me just touch upon this. You all have the

EIR, you're familiar with this. I'll get up and point to this.

The Ellwood Onshore Facility is here for this project, just used for communication purposes really and pass through, not used for treatment or processing or separation. 421-2 is here, this is the production pier, the one that's furthest east, 421-1 here is the injection pier. And you can see the 1300-foot access road where the pipelines and power cables proposed to be installed within it. And here's the Holly tie-in and the offload that way, Sandpiper Golf Course obviously here in the background. This diagram of the road, you have the EIR, you've seen this, but the old timber bulkhead is worth noting because there are gaps in the seawall, particularly in the vicinity of the piers, the timber bulkheads, for those of you familiar with the Ellwood area, has seen better days in terms of its longevity, but it has been reinforced by Venoco with RipWrap over most of its length and repaired in other ways. The existing 6-inch pipeline sits relatively close to the seawall whereas the proposed power cables would be set well back from the seawall back toward the toe of the bluff.

So the project itself in operation, Venoco anticipates a peak production rate in the first year about 700 barrels a day, and then that would fall relatively

rapidly over the project's 12-year horizon to as low as 100 barrels a day late in the project production horizon, which is estimated at 12 years, may go longer, may be affected by market economics, but it's estimated currently at 12 years. Separation or processing, depending on your point of view, would occur offshore or in the near shore zone on top of Pier 421-2 using pretty state-of-the-art technology for separation.

AMEC brought in some of our oil specialists from another AMEC division to look at the equipment and examine what Venoco is proposing, and they found that the equipment was, indeed, you know, some of the more recent technology available for this type of operation, although it may be subject to exposure from wave damage and severe, severe storm events.

Venoco is proposing to inject water back into the ground at 421-1. So they'd use the existing well at Pier 421-1 for a reinjection well to reinject produced water, because when you take the oil out of the ground, in the beginning very little water comes out of the oil, it's mostly oil, but fairly rapidly with this project, the proportion of water would increase significantly. So there's a lot of water to dispose of, and Venoco would be disposing of it through Well 421-1 back into the formation.

The oil will be transported from these piers along the toe of the bluff and new flow lines installed within the 6-inch line and eventually through Line 96 along Hollister Avenue to the EMT where it would be stored and then loaded onto barge Jovalan or other available transport to either ship to San Francisco Bay or to Los Angeles. Estimate maybe five to six barges per year, peak, during peak production, additional barge trips per year. And that's declining to two to three in the year 2013.

Long-term transport at this point in time could be either via pipeline associated with the Full Field Project or could be via tanker truck, and the EIR looks at both of those issues. And I think you're probably all aware of this, but the issue is the EMT lease is going away eventually, State Lands is going to be considering this matter for a final extension to, I think, 2013. In addition, even if further extensions are granted, UCSB has a lease on the facility that says you can't go past 2016. The university could theoretically renegotiate that, but the university, as we all know, is -- may be set in their ways, put politely. So this EIR presumes that the EMT lease goes away sometime between 2013 and 2015, and the impact analysis is crafted accordingly.

So, again, just to -- you're all familiar with

the area, but again, this shows the totality of the system. You can see our two wells here on the left in blue, Sandpiper Golf Course, the Ellwood Onshore Facility, the blue pipelines which are new, if you will, but replaced, taking the oil through the Ellwood Onshore Facility then all the way down Hollister and eventually back along Phelps and out to the marine terminal through the Ellwood preserve on an existing pipeline. And then the EMT in the middle of the Coal Oil Point Reserve there would then send the oil off shore.

The reason I emphasize the area as a whole, obviously there are some important resources in the area, and AMEC is familiar with those resources.

So here's a shot of some of the facilities close up. This is the new wall at 421-1. As described in the EIR, there has been -- there have been a series of collapses on these platforms of varying degrees of severity. 421-1 fell in most recently -- I think it was 2000 or early 2000s, and was subject to major repairs. This is the new wall, and this is similar to what would be proposed at 421-2, which has not been repaired to this degree.

I should note that both piers -- you see the pier we're treating separately from the caisson -- the caisson is the large concrete block structure in the surf-zone,

the pier is the wooden and metal post structure. And those piers were completely revamped as part of the earlier repair projects and are, I think, quite structurally sound.

A lot of the issues revolve around how strong the older caissons are. They've been there for 80 years. So, I think -- we had a structural engineer -- I should note that AMEC had an independent structural engineer from another one of our varied divisions come out and review the available plans from Venoco and do their own assessment of the structural capability of these facilities and the resistance to wave action. The analysis in the EIR is based upon AMEC's independent structural evaluation of the available data.

One of the problems I think that Venoco faced as well as AMEC is that these things are so old, there aren't exactly as-built plans lying around for these structures, so it's -- to some degree it's professional expertise and not a detailed engineering view of the plans themselves.

Okay. Just a quick highlight. This is the tanker routes. So you can see Venoco -- and Steve can chime in if he wishes -- but Venoco maintains an option to go either south or north with their tankers. And they have predominantly been going south, but they have encountered some troubles down there. And so the EIR kind

of picks a middle ground and does a worse-case analysis by splitting the baby and saying, well, we're presuming that a number of the trips will go north, and therefore, there's a worse-case analysis provided.

Venoco faces a long list of permit requirements for approval of the project. State Lands is the lead agency. After them I think, in order of importance and degree of control over the project, you can see them listed; Santa Barbara County, the City of Goleta before the County, State Division of Oil and Gas, the Coastal Commission, you know, there's a lot of permit work involved with this project, but local, State and I think Federal agencies, the Army Corps of Engineers for the 404 permit possibly. So a lot of permitting in front of Venoco after the EIR process.

Let me just talk upon the major CEQA issues. Safety, I think, is always a paramount concern for Santa Barbara County energy facilities, and it's the longest section in the EIR and was subject to, again, review by AMEC's offshore experts as well as our structural engineers as well as a petroleum engineer from AMEC's Houston office who specializes in offshore oil production. And basically the EIR identifies -- starts off with you have to account for the existing baseline. There's a lot of oil being shipped through many of these facilities

right now, so the relatively minor production added by PRC 421 is assessed in the context of existing operations -- that's the environmental baseline -- particularly regarding the use of the EMT and Line 96. For some of those reasons you'll notice a difference if you reviewed the EMT EIR, the degree of impacts there, versus this, because this project is adding only incrementally to ongoing operations.

So we've looked at the potential issues with this project, particularly the potential for the processing or separation of oil in the offshore area and damage to that facility and the potential for spills from that facility, as well as for well blowouts, subsurface well blowouts.

And there is a potential for spills to occur. They would be relatively minor spills, and we ran through this in some detail with the petroleum and engineering experts, and I don't have the number off the top of my head, but it's 6 to 12 barrels or maybe 7 barrels of oil, and we went round and round on this, and I think our experts are relatively convinced, though there is a very low potential for spill to occur, they would be relatively small spills associated with the production. So, you know, 55 gallons a barrel, 12 -- 6, 7, or 12 barrels of oil. So it's a relatively small amount, but there are sensitive resources in the area.

We also looked at the potential for pipeline leaks, and Venoco has done a -- has a lot of redundant safety measures built in to the pipelines, the EIR recommends a few more.

Probably the most troubling impact associated with this project, the two most troubling potential impacts, are the potential for caisson collapse. Because plans aren't really available, engineered plans, it's difficult to ascertain the degree. The history -- these have been here for a long time, they've held up very well, but they have collapsed twice within recent history. So the EIR identifies that as a potentially significant impact and recommends some pretty serious engineering study.

Those mitigation measures, which are central to safety, were crafted by AMEC in conjunction with State Lands and their division of minerals management, right, so whether it results in a wall like you saw, on the front of that, all the way around the platform, or something else that is suitable, the EIR recommends very strong mitigations on caisson collapse because it is a worst-case analysis.

Similarly, seawall collapse was looked at, and in a major storm event, the old timber bulkhead sections of the seawall could collapse exposing the pipeline. So

there's recommended mitigation measures that address that issue.

And then, of course, there's always the potential for the tanker, the barge to have an issue; and as a result, the EIR identifies safety as a possible impact, despite the fact that it's relatively low amounts of oil, at least for the onshore production or the near shore production.

So a mitigation measure is design and construction, protection of oil separation equipment, spill response planning and training is particularly important, pipeline monitoring and an emergency accident plan in case of a spill. And many of the measures you've seen in the EMT EIR, such as facility maintenance, potential for a double-hulled barge, things of that nature.

Air quality. The EIR identifies a Class I air quality impact. This is primarily related to the operation of diesel engines for the tankers and the barge. And there are construction issues, but they're relatively minor. The mitigation measures include a retrofit of the tug engines, vessel operational changes and further emission controls on the barge Jovalan. The EIR also contains an initial discussion or an overview of the project's potential contribution of greenhouse gases and

its role on climate change.

On hydrology and water quality, these are largely, again, related to oil spill impacts. There are some construction-related impacts that are addressed in hydrology and water quality. There's two types of impacts here. One is potential for spills, primarily in the Bell Canyon Creek during construction, and then marine water quality impacts during heavy, if you will, grading and jetting in the surf-zone.

Probably the most troubling water quality impact is the potential even for a small spill to get into the Tecolote, Bell Canyon or Devereaux Slough estuaries. And that's discussed in some detail in the EIR. Measures to deal with that include, you know, the same ones for safety basically: A heightened level of training, pollution prevention plan, pipeline monitoring, et cetera. And, again, I think the small size of the spills, associated at least with loading of the tanker generally and also the actual operations of the piers themselves, are somewhat reassuring in terms of their ability to get a large amount of the oil into the estuaries. But the EIR definitely discloses that and I think it identifies that as a significant impact also.

Marine biology, again, it's back to mostly to oil spills and construction, sediment being mobilized in the

surf-zone. Additional impacts here in marine bio include barge collision with marine mammals and the potential for oil spills from the tanker. And there are some mitigation measures related to having monitors in place on the barge to ensure that the loading is done correctly and marine mammals are avoided during the shipment. And, again, the emergency action and spill prevention plans are critical in marine bio.

I would note that the EIR also identifies a number of sensitive offshore resources. A lot of rocky intertidal habitat in the area as well as very significant kelp beds offshore in Ellwood, and those things are typically relatively hard hit by spills.

Terrestrial biology, we're back to oil spill again, large terrestrial biology, in terms of really large impacts, again, it's the estuaries in the area. Also, of course, we're all familiar with the presence of the Snowy Plover within the Devereaux Slough Ecological Reserve, and even a small oil spill, it gets onto the beach quickly, could cause some serious trouble there.

So one different mitigation measure that the EIR recommends here is a coordination with local land managers. I think that the City of Goleta managing the Ellwood Preserve and the Coal Oil Point and University Management Coal Oil Point Preserve are not necessarily

fully equipped to deal with even a relatively small- to mid-size oil spill in terms of emergency responses. As we all know, I think, Devereaux has one manager who's part time. While other emergency teams move into action, there really isn't a local response coordination effort that's fully in place at least to what we could find out. So the EIR recommends kind of upgrading the facility of the local agencies to deal with such spills.

And of course, along the toe of the access road -- I don't want to overlook this -- there are three minor wetlands, and there are standard measures, and I think Venoco has doubled those wetlands in the past and the county mitigations are in place to protect those three small wetlands that drain from that bluff face.

Potential land use issues, land use impacts generally relate to conflicts with Goleta's adopted general plan, which contains some highly-detailed policies, which we spent a lot of time trying to figure out, which deal with the Ellwood facilities as well as the city's zoning ordinance. So we identify potential conflicts associated with oil spills, with Goleta's general plan, and the EIR addresses, you know, the issues of consistency.

The EIR also contains an important alternative which addresses many of these issues, which is onshore

separation at the EOF rather than surf-zone separation. And that would be a major policy call for the decision makers in this project. I think Venoco has been moved one way in terms of offshore processing or separation, the EOF has been identified as an environmentally superior alternative using that, and I'll touch on that in a second.

Additional CEQA issues of concern -- I'm not going to go into these in detail, but I'm available for questions -- the EIR discusses aesthetics, transportation, geology, hazardous materials, cultural resources, public services, et cetera, and they're all described in some detail in the EIR along with appropriate mitigation measures.

The alternatives analysis is an important aspect of this EIR. We looked at six different alternatives: The No Project, No Project with Pressure Testing, onshore processing at EOF, a recommissioning using the old historic methods, reinjection at Platform Holly and several transportation sub-alternatives, which I touched upon, were necessary because of the phase out or the potential phase out of the marine terminal between 2013 and 2015.

Alternatives considered and discarded are an important part of the CEQA process. We need to show that

you've considered a range and why you have discarded certain alternatives. It's a screening process to help you focus your efforts.

We did look pretty hard at drilling from the Ellwood Onshore Facility, why not avoid the surf-zone project, and you couldn't. And I think our petroleum engineers became convinced, based on input from Steve Greig and Venoco, and talked to the minerals management service from -- not mineral management service, but minerals management branch of CSLC, that there simply is not room at the EOF to accommodate a full drilling operation, that the impacts of being in close proximity to the creek, it just would not work. And the Energy Division -- I think Santa Barbara County Energy Division reviewed all this too and was convinced there just wasn't room.

Drilling from Platform Holly was looked at it. It's an existing platform. It's far away. The technical issues did not appear to be surmountable, and there's always the spill risk of being offshore.

We also did a condensed production schedule. Part of the impacts in this project are time driven. You produce oil for 12 years, you just simply increase the chance of spill. But we did not think we could show clearly the production horizon could be shortened, and

that there could be added impacts from a shorter production horizon.

Further alternatives of No Project we examined that we did not go into full details of, abandonment, and future abandonment would require another CEQA document and permit, the appropriate permits.

The No Project with Pressure Testing, it's an important alternative because the field pressure has been increasing in the Ellwood Field. It's been building up significantly, and the experts believe that it's associated with the inflow of water in the Vaqueros Formation, and they think that's a natural aquifer phenomenon. So there is concern that pressure builds, there's offshore wells that were maybe improperly abandoned back in the thirties, forties, and fifties, and as the pressure mounts, it's uncertain whether those wells could begin leaking. So we did look at a situation where the project would not be approved, but there would be six months to a year of pumping oil to test the pressure and the results on the field.

Onshore separation at the Ellwood Onshore Facility, I just want to say that I think the EIR identifies this as the environmentally superior alternative. Any time you get your oil work out of the surf-zone, you incrementally reduce the potential for a

spill. There are issues in, and the community's well aware of the long-running issues with the Ellwood Onshore Facility based on information from the County Energy Division, we're aware that Venoco spent some $7 million improving that facility over the last six or seven years, and it is certainly much safer than it once was, and we are aware of their ongoing community concerns about that facility, but we are convinced that it would be environmentally preferable, should this project go forward, to separate the oil at the Ellwood Onshore Facility rather than in the surf-zone on older platforms.

The transportation sub-alternatives, I just want to touch on briefly. I think you're probably -- most people here are probably aware of them, but they are, again, required to address changes in transportation in the future. They involve either trucking oil down to an existing facility on the Rincon or piping it up to Las Flores Canyon along the new pipeline on the Gaviota coast. Both are generally superior to barge shipment.

The pipeline is definitely the environmentally superior transport option, although there are definitely construction-related impacts associated with that pipeline, particularly drilling and construction across several of our creeks which support sensitive species on the Gaviota coast.

So again, today we're here to hear your concerns about the EIR, the feedback on the adequacy of the analysis and mitigation, any issues you think we overlooked or need to talk about. I urge you all to keep focused on EIR issues. Most of you are veterans at this. And this is not the last opportunity to comment, but it is your local opportunity to comment, at least in terms of State Lands Commission.

So that being said, I'll turn it over to Eric.

MR. GILLIES: We'll open it up to questions or any clarifications on Dan's presentation. And if you would state your name and spell your name for the transcriber so we have it on record. And then after the question session, we'll open up for public testimony.

Yes, David.

MR. SANGSTER: Dan mentioned that the existing structure, they really don't know what's going on inside of those caissons. After they repaired the front wall of 421-1, the City of Goleta told me that they're going to do some core samples, because right before they finished the wall, including the front end of cement, there was oil coming out of the front wall, and right after they finished the construction, that there was various small leaks, fluid leaks coming out of the side that were discoloring. They said they were going to take some core

samples but they had to wait, you know, for the finish of the construction before they could do this. I don't think they've done anything along those lines.

My question is, that pier, when was it filled in with cement? And up and down the coast there are several other areas where there's all arrays of steel piping coming out of the sand spaced maybe eight feet apart. My guess is that originally was something like that. There's probably a lot of rusting steel inside of there and it's filled with who knows what. And rain water -- steel is actually not just rusting but it actually rots, produces H2S, H2S plus water produces hydrosulphuric acid, which is probably what's etching the side of the structures.

The State Water Quality Board is concerned about discharges into the ocean, which have continued since, you know, the repairs of 1995 and 2005. So, you know, are they going to do some actual core samples in those structures to see what's there, or just guessing, or --

MR. GILLIES: This was the City of Goleta that was going to do the core sampling?

MR. SANGSTER: They said that they were posing that at one point when, you know, there were some fluids coming out, oil coming out of the front, they did not know what else was in there.

MR. GIRA: For the record, the written record,

and I think, the written record there was some sampling done, there weren't core samples that I saw but there was sampling of some of the material that was done, and I think it showed typical -- and especially there was some materials I think from the base of the pier, and it showed typical petroleum products. And I'm not an expert on this, but there was a range of petroleum products, there was nothing that jumped out and screamed heavy metals or serious contamination, although petroleum products in our surf-zone are of concern, obviously, but I'm unaware of any core samples.

And we debated and our experts debated the issue pretty heavily about the related mitigation, and it was determined that until -- and I think State Lands experts weighed on this too -- until such time as the facility is decommissioned, it's far safer for water quality not to open up those structures, and to enclose and not open up. There was a debate that happened about that. And that was direction or the advice provided to me as AMEC's project manager was until you abandon those structures, don't open them and don't take the material from inside those structures, because that's a major project

MR. SANGSTER: As a footnote to that, I mean the construction, heavy equipment, cracked the sides, because some of those cracks on the sides were not visible in

pictures before the construction. And the very heavy equipment and all the pounding and stuff, essentially not only opened the structure, but it also probably compromised its integrity. I mean, you have an open structure at the moment. Seems like you'd want to contain that in some way or clean it up.

MR. GILLIES: Well, as far as the project, if it is preferred to go to the EOF, then that would be -- allow the water to be injected at the EOF, the decommission of 421 would be decommissioned sooner as -- would that be correct, Steve?

MR. GREIG: Yes, that's about right.

MR. GILLEIS: So that would be -- accellerate the decommissioning of that and then, of course, there would have to be an analysis as far as how it's decommissioned to make sure that it's not released into the environment. That's one advantage of processing at the EOF.

MR. GIRA: There's also a mitigation measure in the safety section that, as opposed to just the seaward facing walls, that all four walls of the caissons be subject to some type of repair. Now, whether it's the type of repair that has that monster wall that's ocean facing on 421-1 or whether it's a lower level of repair that's more appropriate for non-seaward facing walls would be up to the engineers to look at to work out with Venoco.

So I would think you would get a greater degree of containment out of the project, at least that's what the recommendation of the EIR are.

MR. SANGSTER: Yeah, well, full containment is a good solution to the problem, but then that's a mitigation matter, but there's more impacts to those mitigation measures. I mean, when they constructed the first wall, it took longer, there was open pits, there was disaster out there. It took much longer, there were leaks, damage to the structure. It seems like it would be better to consider all the impacts of the mitigation measures also, which are probably worse than other issues. That should be decommissioned.

MR. GILLIES: Any other questions? Yes.

MS. HANNAH: I need some simple explanation for why the pressure would be building up in the Ellwood Field that has been used for such a long time. Why does that happen?

MR. GIRA: The EIR contains in the project description, Connie, the EIR contains a sort of extensive analysis of that, and I think it's the state of the -- it's as far as anybody's gone with that issue. And basically there are two possible scenarios: One is there's currently reinjection happening of produced water. I think that's in the Vaqueros formation. And it looked

pretty hard at whether that amount of produced water could be leading to increased pressure, and there's an anticline or a syncline or some kind of cline in the geologic formation which separates the current injection zone from the production area in the field. And the more energy-oriented experts can correct me any time I'm wrong.

And then the Ellwood Field itself, they think -- the only explanation that we could come up with, is that there's apparently a very large aquifer, and apparently a very significant amount of water that flows into that basin, which as far as anybody could tell from AMEC and from the State Lands Commission -- and I believe Venoco might comment on this at some point in time -- that the cause of the increased pressure appears to be a fresh water or a brackish water inflow into this aquifer, and that is discussed in the EIR in terms of demonstrating that over time the production of oil and water kind of flips and water becomes very heavy, in terms of the amount of extraction going on, the proportion. So the experts seem to be convinced that the most plausible explanation is fresh or brackish water inflow.

MR. GILLIES: And that alternative, the No Project with the Pressure Testing, was specific from our Mineral Resources Division because they're really concerned with that issue. That's why that was in -- was

covered in the document.

DR. COX: Can you ask him a question regarding that --

MR. GIRA Can you state your name and speak loudly so we can hear?

DR. COX: Ingeborg Cox.

MR. GILLIES: If you could spell your name, that would be great.

DR. COX: I-n-g-e-b-o-r-g, C-o-x, M.D.

The question that I had is regarding when you said that the injection well on PRC 421 -- what I want to find out is if, for example, you go to the Ellwood Onshore Facility, the pressure is going to become higher because the p.s.i. that you're using is going to have the pressure that is coming up from the -- from 421 plus the already existing in the EOF. Cannot you then, secondary to that, have more problems?

MR. GIRA: Well, the EIR looks at -- and that's what I thought. I'm sort of -- I think that way. So the feedback we got from Eric's cohorts and the production branch and from our own petroleum experts was, again, that there's a separation; so theoretically, reinjecting at Ellwood Onshore would not lead to an increase in pressure in the field because of this syncline -- I believe it's a syncline, I can't recall -- some kind of geologic

separation within the formation.

DR. COX: But in -- specifically you say if there is going to be no pressure increase, why is it then that the pressure will increase in Line 96? It's going to increase from approximately -- it says here the proposed 2-inch flow line would have a maximum operating pressure of 415 p.s.i.g. And this pressure goes beyond that off Line 96, because the pressure of Line 96 is 285 p.s.i.g. So in essence you're going almost double.

MR. GIRA: I'm sorry, I misunderstood you. I thought you were speaking about the pressure within the formation.

The pressure within the flow lines is addressed, and there is something called a pressure safety valve, I believe that is proposed, that can handle the transition of the pressure along the pipeline. And, again, I think there are experts here who are much more well-versed in that than I, and that includes Steve Greig and Doug from the Energy Division or Dean, or Steve Chase in the back of the room. They would all be able to answer those general types of questions.

Our experts looked at it. They had a specific mitigation measure they recommended. And our petroleum engineer from Houston said it's not an issue if you put this pressure safety valve on. So I sort of defer to

AMEC's own petroleum engineer.

DR. COX: I will ask further questions when my turn comes up. Thank you.

MR. GILLIES: Any more questions? We'll go ahead and open it to public testimony.

Michael H. Smith.

MR. SMITH: My name is Michael H. Smith. I'm the project coordinator for Gray Whales Count, a research and education project surveying the northbound migration of gray whales to the near shore of the Santa Barbara Channel from Coal Oil Point.

From our observation position, we look out at Platform Holly approximately two miles off shore and we have a good vantage to observe the bouys off Sands Beach for Venoco's Ellwood Marine Terminal where the oil barge is filled. Last year I submitted comments that included data from Gray Whales Count 2006. In May we concluded our 2007 survey of the northbound migration of gray whales, and my comments here will update data and include descriptions of observations we think are relevant to this Draft Environmental Impact Report.

Before I get into what we saw in 2007, I would like to make specific comments about and corrections to the Draft EIR. Page 4-39 section 4.5 Biological Resources, line 13, our project is Gray Whales Count;

"Gray" is spelled with an "A," not an "E".

Line 14, gray whales are classified as eschrichtius robustus. Megaptera novaeangliae is the classification for humpback whales. Line 21, the migration is not just a springtime occurrence, we begin our survey in the winter at the end of January and continue through the middle of May. Our focus is the northbound migration of gray whales.

Beginning in November extending well into April, gray whales migrating south can be observed. Lines 21 through 24, in August of 2006, we also contributed sighting information on southbound gray whales, 34 plus a calf; bottlenose dolphins 989, plus 217 calves; sea otters 12; humpback whales 40; 28 unidentified large whales; and a single rare sighting of a northern elephant seal.

Santa Barbara Channel hosts one of the largest, most diverse selections of marine mammals in the world. Some, like harbor seals and California sea lions, are residents who inhabit the near shore around Coal Oil Point. For our survey, we do not track either sea lions or harbor seals; we do record other marine mammals in an effort to document their presence. Gray whales are migrating through the channel and passing southbound or northbound by the point. All other animals we observe are residents or visitors here in search of food.

Unlike gray whales, other species we track are not necessarily unique animals. We could be counting the same individuals over and over. For example, normally we see bottlenose dolphins almost every day, often several times a day. If we are able to continue tracking them, even going back and forth, that is a single sighting and they are counted once; but if three go by east in the morning and we cannot see them anymore, three heading west come by in the afternoon, it might be the same trio or not, we enter new sighting data and treat them as separate animals. If that same trio were to go back and forth every hour, we would total 24 dolphins for the day when actually it was only three. Since we are not photographing the dolphins, we have no way to know whether if it's three back and forth or 24 unique animals.

In 2007 we did not see dolphins every day, and on a few occasions we had gaps of three days between sightings. Demoic acid, a neurotoxin that is produced by a naturally occurring algal bloom, was detected in our area, but mild compared with past years. It was, however, stronger in Ventura and Los Angeles counties, and we believe the dolphins we see in Goleta range through that area. It could be that the population was affected; we aren't able to tell. When we did see dolphins, they were active and appeared healthy. One day we observed a string

of small groups and so we were able to count at least 30 unique animals, which might indicate their numbers remain strong; we hope so.

We are conducting our survey eight hours a day every day, weather permitting. Our observations are a sample, subject to analysis. As such we are able to estimate the number of unique gray whales traveling north during the 15 weeks we survey. Since we are not in a position to estimate the southbound migration, our tallies record just what we have seen, furthermore, for other species, we are documenting their presence rather than estimating population size. But these are meaningful numbers, especially since this is the only survey of its type in the area. I'm attaching a record of our observations in 2007 to the end of this.

This year we had a huge increase from 12 to 66 sea otters. One day we saw four separate animals in front of us. In addition, we heard reports of sightings between 16 and 20 animals together at Naples Point. There were a lot of sea otters here.

The other very significant change from 2006 to 2007 was the critical dropoff in northbound gray whale calves. In 2006 we saw 118; in 2007 we observed only 52. Through comparative analysis of our 2007 observation, we estimate that 2,363 northbound gray whales travelled

through the near shore past Coal Oil Point. That's 85 percent of 2006. And we estimate that 267 calves made their first trip north, which represents just over half of our revised estimate of 2006.

The decline is likely caused well beyond the Santa Barbara Channel. And the gray whale migration faces a culture clash here by Coal Oil Point with a range of manmade impediments and perils in the near shore, even some dangerous natural threats, including killer whales and the second largest natural oil seep in the world. All around Coal Oil Point methane gas goaded in petroleum percolates to the surface, tar floats where whales swim and the gurgling gas must at times startle animals, perhaps confuse them with a unique sound in the water path.

The Santa Barbara area is a home to a number of recreational boaters and active commercial fishing industry. Lobster and urchin harvesters frequent our survey area.

Platform Holly is just two miles off shore. On one occasion we watched a group of whales split up with three traveling inside the oil platform and three traveling outside. The crew service boats regularly cross the whale migration route, sometimes several times a day.

Approximately every three weeks the huge barge is

towed by the large tug and assisted by a smaller tug to aid in positioning the barge between bouys a half mile off Sands Beach. The operation takes about 30 hours to secure the barge, fill it with oil from storage tanks on shore and then maneuver the barge into the open water of the channel. The flotilla seems to overwhelm the area with noise and physical presence. If that is not bad enough, each cycle brings the very real risk of a catastrophic oil spill in the delicate area inhabited by threatened and endangered species.

In early May the oil barge was in trouble. We opened the count on May 3rd at 9:00 a.m. with a very light breeze. The oil barge had apparently arrived in the early morning and begun the filling process. Unfortunately, the wind increased steadily and forced us to close down our survey at noon with the barge operation still in progress while the wind was blowing at between 25 and 30 knots.

The next morning when we showed up at the count, the wind was still strong, but the barge was not between the bouys. One of our observers spotted the tug and barge southeast of us on the horizon between six and seven miles away. The wind seemed quite strong out where they were with waves crashing across the barge. We noted that the barge was apparently not filled because we observed a significant freeboard, but there was probably some oil in

the hull.

We concluded our survey again on the fourth day due to high winds. It was a bit calmer on the morning of the fifth day, on May 5th. At 9:00 a.m. we saw the tug pulling the barge very close to shore along the kelp in front of us and going towards the bouys. Again, the winds came up very strong and we closed down the count at noon with the oil barge between the bouys, probably continuing the filling process in the wind. On the morning of May 6th, the wind was gone and so was the oil barge.

We are just observers counting whales. Maneuvering a huge oil barge through the channel, to say nothing of the near shore, must be very difficult, and we assume the crew is exceptionally skilled. Even so, the barge appeared to be in jeopardy in early May of 2007, and we tried not to contemplate the consequences.

That was scary. But even routine barge operations pose significant threat to the whales. The tug and barge take a long time to approach and leave the bouys. The tug must be very loud, and there is the real danger of collision while the vessels are maneuvering in the migration route. In place between the bouys, not moving, the barge, tugs and observation vessels are a obstacle for the whales. Most cow and calf pairs travel very close to shore in April and May. When the barge is

not there, some whales swim right between the bouys where the barge parks.

In mitigation measure bio 5A, page 440, lines 15 and 21, the mitigation measures proposed are not, in our opinion, adequate as written. The purpose has not been expressed. We feel proper training has not been defined. We believe the task of maneuvering the vessels is itself significant. Searching for marine mammals requires particular attention and is not always possible in rough weather aboard a vessel when eye level is just above sea level. As noted above, we are observers and we know how difficult it is to find and track even large whales. We are up above the water on dry land and we are not trying to steer a boat.

Then there's the problem of what could be achieved by having a NOAA-certified observer. Could the tow vessel maneuver away from a whale approaching from maybe a quarter mile away? Is it advisable to shut down or even slow down in the near shore when towing a fully loaded barge? Frankly, I don't know. Perhaps there is data on the east coast where there has been a great deal of planning about ship avoidance of whales.

What an observer might do is, at the least, gather some data. A fully-independent observer could note sightings and communicate with the captain; that

communication could become record, and maybe we could all learn from it. We would learn how often and under what circumstances animals are close enough to be observed, animal behaviors could be noted, and we might learn about crew reactions and what measures seem better than others. Furthermore, an independent observer could report near misses or even collisions.

This past summer three blue whales were apparently struck and killed by ships in open water in the Santa Barbara Channel. In the near shore, animals don't have many opportunities for avoidance. Last year just outside of Santa Barbara Harbor a gray whale breached and landed on a boat.

While we would prefer to see the barge operation terminated, as long as Ellwood Marine Terminal operates, we believe there should be independent qualified observers on the vessels and it should be year round with added observations during both legs of the gray whale migration.

Again, we realize that navigating with a huge barge in tow is difficult, especially in the near shore, even so, we would like restrictions on approaching and leaving the bouys so that the vessels do not parallel the shore along the kelp.

Thank you for your consideration.

MR. GILLIES: Thank you, Michael.

Kathy Gebhardt.

MS. GEBHARDT: Good afternoon. My name is Kathy, K-a-t-h-y, Gebhardt, G-e-b- as in boy, h-a-r-d- as in dog, t as in Tom.

Many of the statistics are numbers I've gotten from the hazardous material spill and release incident report form, so I have some confidence in the dates, et cetera.

Referring to August 10th, '07, reports are there was a pinpoint leak and approximately 40 gallons of crude oil escaped causing soil contamination in the surrounding area. My problem here is that Venoco neglected to notify the City of Goleta in the required time period of such an incident.

In the 1970s there were at least 12 piers visible along our coast; I've got a picture of one of them. They are no longer to be seen. Why? They were useless eyesores. In my mind, PRC 421 is an eyesore. It should be removed as soon as possible. I won't go on and on and on.

Let's see. These are my notes.

Unfortunately, I don't have many -- oh, I know what I wanted to tell you.

State Lands, I don't know if they still have this secret office over in near Pacific Oaks with the locked

door, but I got in there once when the door was -- normally it's locked, but my source -- anyway, it was an accident, someone left the door a little open, and I went in and got a nice document which I've enjoyed. And it was at that point you were starting to remove the metal and the piping and the wiring and all this hazardous stuff from the beaches. And you have proceeded I'm sure as budgets permit, but you still have not got it completed, the Ellwood Beach, which is the closest to my home. So I hope the next time you've got some money in your budget, you will focus on the Ellwood Beach, long, long -- and those piers, those old piers, again, I'm fortunate to have a photograph of one of the last ones, the Ellwood pier, probably were blasted away with whatever that entailed.

So that's all. Thank you.

MR. GILLIES: Thank you, Kathy.

Connie Hannah.

MS. HANNAH: I'm Connie Hannah, speaking for the Santa Barbara League of Women Voters. I'm speaking today for their energy committee and I want to thank the State Lands Commission for the prompt sending of that EIR to everybody who needed to have it. And so we've been very glad to have the material. We wish it were lighter. I told Dan that it should be lighter so that we could bring it to meetings more readily, but we recognize that it's

interlinked with a lot of other projects.

The League has been following various oil projects on the south coast since the 1980s. At the insistence of the public, most of the projects developed since then have been well planned using the best available technology. Some of them have even become international models for how oil facilities should be built. But the project that Venoco bought with these piers and the Ellwood Marine Terminal was developed first in the 1920s and these facilities were built using the technology of that era, about which very little is known. As a result, they have presented many problems to the community over this long historical span.

For several years the League and many other community organizations have been asking for the abandonment of the Ellwood Marine Terminal and its related facilities. Piers 421 and 421-2 are two of those. And we think that this Draft EIR clearly shows why they should remain closed down, because of their location in the tidal zone. The EMT and the barging operation have all kinds of negatives associated with them, and we will be discussing those at a future hearing.

The League thinks that that this Draft EIR covers most of our concerns. Piers 421-1 and 2 have been shut down for so long and will require so much rebuilding that

we think they should be seen as new development and thus should not be permitted for this non-conforming project. No one would agree to locate a new oil drilling project in this shoreline location, and so this new project should not be approved. These deteriorating structures should be removed as soon as possible. The No Project Alternative with Pressurization may be needed in order to do that.

The large number of Class I impacts that cannot be mitigated are enough to deny this project. Many of the Class II impacts could also present major problems, even with the suggested mitigations. The threat of earthquake or tsunami on this shoreline cannot be really provided for. Because of the age of all this equipment and the eroding area in which it is located, all of the Class I impacts are much more likely to occur than they would in a modern project that had used best available technology when it was being built.

The special value of all the biological resources in this area, which UCSB uses for research, should require abandonment of these two wells. We have had enough grim local experience to learn that clean up of accidental oil spills is usually ineffective and the resources are lost for an indeterminate length of time. The No Project Alternative is clearly much safer. Extraordinary amounts of monitoring would be required if any recommissioning is

approved. The Draft EIR indicates that the main choice should be between the No Project Alternative and the No Project with Pressure Testing. Thank you.

MR. GILLIES: Thank you, Connie.

Barbara Massey.

MS. MASSEY: Barbara Massey, it's B-a-r-b-a-r-a, Massey, M-a-s-s-e-y.

Pier 421-1 and 421-2 are a new project and should have been reviewed as such. I also support the letter of Get Out Oil to extend the written comments until November 16th. And the first thing that became obvious to me in reading this document was that the outcome of the EMT hearing in San Diego on October 31st would have impacts on this project. The date for written comments should be extended for two weeks so that the State Lands Commission decision and the effects on this project can be considered.

In regard to the Draft EIR, on page 4-48 it is stated that 30 parts per million is a level for one hour that would cause irreversible or serious health effects. This is much higher than is considered serious by medical authorities. Lower levels have caused deaths in Mexico.

PRC 421 should be addressed in the fire prevention and preparedness plan. There should be drills specifically addressing Pier 421. On page 4-61 there is

mention of that the condition and construction of the well cellar is unknown. It seems that the cellar should have been inspected since this is part of the project.

Fire protection emergency response is below standards in western Goleta, the location of this project, in three standards for provision of fire protection services. We do not have enough firefighters, we have the low minimum on-duty personnel of engine companies and far too long a response time. The approval of any Venoco project should certainly require the payment of fees toward a new station.

Impact TR2, operation generated traffic cannot be adequately addressed until the EMT issue is decided. The Hollister-Bacara intersection should be properly realigned for traffic safety. This intersection will be used for trucking oil from the facility and will create a real safety problem. Many statements about this project seem to use either Jovalan or a pipeline handling the oil and choose the one that is most advantageous for that particular issue. 4.10.6 cumulative impacts would be significant if trucking is required for both EMT and PRC 421.

Visual sensitivity should not have been classified as moderate. The entire local coastline is visually important. Such a large project is inappropriate

in a recreational area.

There are a number of issues that have not been adequately reviewed. It could be hoped that the health and safety of the public would outweigh the State's financial gain from from this project, however, since serious issues are both overlooked or barely considered, it appears money wins over the public.

This is a long, poorly-written, inadequate document.

I would also like to say that I agree with the League of Women Voters and the comments you will be receiving from Dr. Ingeborg Cox.

MR. GILLIES: Thank you, Barbara.

Okay. Fran Farina.

MS. FARINA: Welcome to Goleta. My name is Fran F-r-a-n, Farina, F-a-r-i-n-a. I'm here representing the Sierra Club, Los Padres, L-o-s P-a-d-r-e-s, Chapter, Santa Barbara Group.

I wanted to inform you that we will be submitting written comments and we have joined Get Oil Out, League of Women Voters, Friends of Ellwood, and other organizations requesting of the State Lands Commission an extension of two weeks. We have submitted written comments, extensive written comments on the Ellwood Marine Terminal and we feel that our attention directed to PRC 421 will be

clarified and more succinct once we know what the State Lands Commission does at their hearing on October 30th.

Thank you for coming locally.

MR. GILLIES: Ingeborg Cox.

DR. COX: Do I need to repeat my name?

MR. GILLIES: If you could spell it.

DR. COX: I-n-g-e-b-o-r-g, C-o-x, M.D.

PRC 421 has not been active for more than ten years. The Draft EIR shows 17 Class I impacts if this gets reactivated. I agree with the previous speakers that this should be considered a new project.

The 6-inch pipeline released in 1994 170 barrels of oil. This line is not suitable to more than pigging and maintenance because to the fact that it has apparently two 90-degree bends. This is stated in page 4-42. In this proposed design there is no mechanism for detecting a break or a leak in the 6-inch pipe. Such damage could go undetected due to the lack of leak detection system for this outer containment vessel, page 79.

For the 2-inch flow line, the design does not currently include a means of detecting low pressure, which is important if the 6-inch casing gets compromised.

PRC 421-2, the caisson has been repaired or updated and shows signs for degradation and wear. The pier was reinforced in the year 2000, both have the

potential to occur in subsurface areas below the caisson deck. These blowouts would not be contained by the well cellar and, therefore, could be potentially released directly into the ocean.

The well cellar has a volume of approximately 8,946 gallons. The actual condition and construction is unknown. Why was the cellar not inspected in the year 2000 when they were doing the repairs? Separators are not typically used for projects located on the surf-zone. PRC 421-2 exposure to wave action could potentially result in oil and gas leakage.

According to the report, no as-built plans were provided by Venoco for the seawall and other portions of the caissons and no load calculations are available for the new walls. The report states that the present stability of the piers, caisson and seawall was impossible to fully ascertain. Who has the plans and why were they not provided? The caisson walls have been subject to over 75 years of weathering. The unprotected seaward facing side wall of caisson 421-2 shows signs of wear and tear. There are small cracks and irregularities, one of which appears to be a very slowly seep oily or sulfurous fluid, page 64.

The twin piers, 421-1 and 421-2, the seawall consists of the original timber bulkhead which has not

been reinforced and that is considered marginally stable. Large storms can result in total failure of the wall, and most likely in the case of an earthquake this wall also could fail.

The public could face potentially hazardous conditions if hydrocarbons or sulfur leaks occur from the sides of caisson structures as happened recently from the side of 421-1 and the seaward side of 421-2, see page 76.

The report states that proposed safety mitigations may require that all six non-seaward facing walls on caisson 421-1 and 421-2 and their reinforcements, which should include constructions of walls similar to that proposed of the seaward facing side of 421-2. The word "may" should be changed to "shall."

Earthquake loading appears to not have been considered in the design of these structures. Structures have suffered substantial collapse of the seaward facing walls twice in the last 25 years. Why is the extent and quality of these repairs not clearly documented? See page 64.

At peak production, the proposed project would increase throughput of the EMT by up to 70 barrels per day, thereby increasing the potential for a release of oil or hazardous materials. This is a Class I impact. The increase in transfers from 23 to 88 also increases the

potential of a loading spill.

PRC is a sweet crude, according to Ellen Horn's medical toxicology, the other threshold of hydrogen sulfide is at 0.02 ppm. At exposures above 20 ppm, the following have have been reported: changes in personality, intellect and memory, eye and respiratory irritation, gastrointestinal disorders, decreased libido, and backache. At 100 ppm, there is loss of smell in 3 to 15 minutes. At 500 to 1000 ppm, it acts primarily as a systemic poison causing death through respiratory paralysis.

The likelihood of an explosion related to a crude oil spill and fire is virtually nonexistent, therefore the EMT analysis did not conduct further analysis on explosions. This is on page 49. I question why is it that an explosion is unlikely in this scenario? And if there is even a remote possibility of an explosion, I suggest that a complete analysis should be done.

Since 1999, ten drills were held, nine for hydrogen sulfide and one unannounced for oil spill drill at the EMT. None of the drills addressed the PRC 421. Why is PRC 421 not addressed in the drills?

Fire prevention for the PRC facilities are not specifically addressed in this plan. See page 51. Fire is a big event and needs to be addressed.

The barge Jovalan is single hulled, has now 23 transfers, and in the permitted scenario they would increase to 88. Increasing loading operations increases the frequency of spills.

Additional barge traffic increases the chances that a marine mammal could be injured by collision with a vessel. From 1990 to 1998 seven vessel strikes of gray whales were documented. There does not appear to be an existing marine mammal contingency plan for barge Jovalan, page 234. For a worst-case discharge, 588,000 gallons are cited, and for a catastrophic discharge, 2,352,000 gallons are cited. The Santa Barbara oil spill in 1969 was estimated at 80,900 barrels.

Under the No Project Alternative with Pressure Testing it states that potential affects of decommissioning the facilities would be evaluated in a separate analysis. Why is the analysis not presented to us now? The No Project Alternative is misleading, as they would have temporary production of oil for 6 to 12 months. Why cannot the pressure testing be done now?

Separated water would be discharged into the well that the EOF uses for disposal of wholly produced water, page 93. Where is the final destination of this water; and also what I would like to know is what does this water contain? Ellwood Full Field and PRC 421 projects are

interrelated in that they are overlapping facilities and could create similar impacts within the Ellwood area.

You already have heard about the ESHAs, so I'm not going to speak about them.

Noise. The noise from pile driving is typically between 81 and 96 decibels. Drilling rigs may produce noise up to 174 decibels, page 224. Pile driving and drilling have the potential to exceed 160 decibel limit. These levels of noise are quite large and could impact personal health, specifically for the personnel that is going to be doing this handling and also the population that lives nearby.

Fire. The firefighter-to-population ratio, the absolute maximum population that can adequately be served is 1 in 4,000. The current ratio of firefighter to population is 1 per 4,909. Most likely this number has now increased as many development projects are in the pipeline for the Hollister Avenue stretch that will be used for Venoco vehicles. The most under-served area in the City of Goleta is the extreme western portion, and this encompasses this project location. I think that Venoco needs to contribute toward the cost of a new fire station.

Venoco does not have a fire protection plan specific to the PRC 421. Operating PRC 421 without an

approved fire protection plan will also result in unsafe situations. PRC 421 will not be staffed with on-site personnel. Why is this? Also, this facility's outside the standard safe response time of five minutes for fire.

Emergency management system. Where is the incident command system located for the EOF? Venoco on-site response techniques are built up on the equipment and manpower resources available at the EOF. For me, this is too arbitrary. A definite number should be required. We know that at night they have 2 to 3 people and in the mornings they have 10 to 12 people. What happens if you have an event or a fire during the night? You have only 2 to 3 people who handle such a catastrophe.

Traffic. Currently the intersections of Hollister Avenue and Storke Road operate at LOS C. It is projected to decline to LOS F with addition of cumulative traffic. The route between the EMT and the EOF on Storke Road has the impacts of Francisco Torres Student Housing, and also the Isla Vista School. No increase in traffic should be allowed in this area as the level will then deteriorate to level F, And this also will impact the public.

The applicant has not prepared a traffic management plan and precise estimates of construction related to traffic unavailable; see page 334. Why is

this? In 2004 the caisson repair at PRC 421 required 60 tractor trailer one-way trips and 88 round trips, construction traffic of 40 to 60 trips during intensive construction period. You, please, need to address this, what are the impacts to the public? For one, roadway categories with the LOS F Storke and Hollister and Highway 101 and their intensive construction criteria, this would deteriorate to LOS F.

Combined with the unusual turning radius when you are coming out from Venoco going toward Hollister, this could expose large, slow, heavy trucks completing this turn movement into fast moving traffic with limited views creating a short-term potentially significant safety impact.

I agree with everything that Mrs. Connie Hannah has said, and I also will prepare my further reports when the meeting for the EMT has been done in the end of this month. Thank you.

MR. GILLIES: Thank you, Ingeborg.

David Sangster.

MR. SANGSTER: Good afternoon. My name is David Sangster; David S-a-n-g-s-t-e-r.

You mentioned the adequacy of the document, you know, it's not accurate, even the first line of executive summary says that Venoco is not -- well, Venoco is a

privately-held company; it is not a privately-held company, it is now listed on the New York Stock Exchange, symbol VQ.

Dan Gira mentioned that the causeway or the piers leading out to the caissons are finished. Well, they also need extensive repairs. There's been repairs done to them. All the white soldier piers are fairly new, but all of the old black ones are still there rusting away, there are some that are completely rusted out supporting up crossbeams. Those could come down at any time. I guess the only consolation is they're only going to come down once. But that is definitely a hardhat area, that is not a playground for children from the Bacara.

You mentioned the aquifer, the open space area. At one time they had proposed using well water and they dug some fairly deep wells in that area that's fairly close by. And they came up with what they called like a fossil water aquifer, because there was no isotopes from the nuclear explosions, they could tell that that water was not being replenished, it was just very old water, brackish, yes, but very old, it wasn't being replenished. It's pretty close to your piers there.

I did mention the problems with fixing the rest of the walls around the structure. You know, I feel that the three unprotected sides on each of the two piers need

extensive repairs. And why wait for an emergency to start the process? All the walls should be protected for the expected lifetime of the project before any oil is pumped.

I mean, obviously, the impacts of putting in the walls or even repairing them, that should be performed before they put on any more equipment, because the equipment will have to be removed because they need extra space. I mean, there's pile driving, there's cement trucks, there's large barges putting in the soldier piers. There's also large cranes putting in the large cement blocks. I mean, they actually had to build a deck on Pier 421-2 to even do that. So, I mean, if the repairs are going to be done, they should be done before they put on any of the equipment.

And that's pretty much all I have now. I will be putting in written comments. Thank you

MR. GILLIES: Thank you, David.

That's it on the speaker slips. I'm not sure -- that's pretty much everybody. I want to thank everybody for coming to the meeting. We're having another meeting at 6:00. That will be the same format as this one.

What we'll do next is take these comments and then any comments that are received at the end of the comment period and then we will be working with the consultants as well as the joint review panel agencies and

come up with an admin final and hopefully get it out to the public. We're looking at probably January, February of next year. And then from then, the commission meeting sometime in the spring of 2008. And that's where we are with that. And if there's not any other last-minute questions, we will adjourn the meeting.

Thank you.

(Thereupon, the October 16, 2007, PRC 421 Recommissioning Project public hearing was adjourned at 4:50 p.m.)

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CERTIFICATE OF REPORTER

I, RONALD J. PETERS, a Certified Shorthand Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing State of California, State Lands Commission, PRC 421 Recommissioning Project Public Hearing was recorded by my staff, thereafter transcribed into typewriting, and personally proofread by me.

I further certify that I am not of counsel or attorney for any of the parties in the matter, nor in any way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of October, 2007.

Ronald J. Peters
Certified Shorthand Reporter
License Number 2780
Certified Manager of Reporting Services
Registered Professional Reporter.